

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: REVIEW OF BILL RISK MANAGEMENT FOR NATURAL GAS CUSTOMERS	DOCKET NO. NOI-03-5
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ORDER SCHEDULING WORKSHOP

(Issued May 28, 2004)

On October 9, 2003, the Utilities Board (Board) opened an inquiry to consider alternatives to reduce the risk to small volume customers of sharply rising and volatile natural gas prices. See Docket No. NOI-03-5, In re: Review of Bill Risk Management for Natural Gas Customers. The Board recognized the increased risk of dramatic increases in natural gas prices during the winter of 2003-2004 and subsequent winters and recognized that various options had been implemented by the rate-regulated natural gas utilities to address this problem. The Board directed interested persons to file indicating an interest in the proceedings and addressing any service alternatives, changes in Board rules, changes in utility company tariffs, or other proposals to be considered in this inquiry.

Cornerstone Energy, Inc., MidAmerican Energy Company, the Consumer Advocate Division of the Department of Justice, Aquila, Inc, d/b/a Aquila Networks, Interstate Power and Light Company, the Iowa State Training School, Ackerman

Investment Co., Wise Hotels, Inc., and the Iowa Assisted Living Association filed responses and requested to participate in this inquiry.

Based upon the responses, the Board will schedule a workshop to allow for further discussion of the issues raised and to address questions the Board has concerning the issues. Board staff has summarized the responses filed by the participants. The summary will be provided to the participants prior to the workshop by electronic mail. The summary will also be available in hard copy form at the workshop. The Board's questions are set out below. Participants may also present other issues for discussion at the workshop.

1. Does the definition of small volume customer in 199 IAC 19.14(1) provide a reasonable distinction between large volume and small volume transportation service?
2. Should there be a variety of alternatives developed by the regulated utilities for small volume customers, including residential customers, based upon the customer's risk aversion? If yes, please describe what alternatives should be available.
3. Is it reasonable to include alternatives for small volume customers that include energy efficiency and conservation components?
4. Should alternatives, such as the "Worry-Proof Bill" program or other hedging programs, be established separate from the PGA customers or should they be included with other PGA costs and trued-up as part of the PGA procedures?

IT IS THEREFORE ORDERED:

A workshop is scheduled for 9 a.m. July 1, 2004, in the Board's conference rooms 3 and 4 located at 350 Maple Street, Des Moines, Iowa, for the purpose of discussing the Board's questions and the issues raised by the participants. Persons with disabilities who require assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 28th day of May, 2004.